

Members

Sen. Vi Simpson
Rep. Mark Kruzan
Rep. Richard Mangus
Rep. David Wolkins, Chairperson

Lay Members

Hon. Jack Fowler
William Goffinet
Max Goodwin

Advisory Members

Bill Hayden
Tim Maloney
Guinn Doyle
Vince Griffin
Blake Jeffrey
Mike Pitts
John Wilkins



IDEM ADMINISTRATIVE ISSUES SUBCOMMITTEE OF THE ENVIRONMENTAL QUALITY SERVICE COUNCIL

*Legislative Services Agency
200 West Washington Street, Suite 301
Indianapolis, Indiana 46204-2789
Tel: (317) 232-9588 Fax: (317) 232-2554*

LSA Staff:

Craig Mortell, Attorney for the Council
Bernadette Bartlett, Fiscal Analyst for the Council

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Minutes, June 29, 1999

MEETING MINUTES¹

Meeting Date: August 4, 1999
Meeting Time: 10:30 A.M.
Meeting Place: State House, 200 W. Washington St., Room 404
Meeting City: Indianapolis, Indiana
Meeting Number: 1

Members Present: Sen. Vi Simpson; Rep. Mark Kruzan; Rep. David Wolkins, Chairperson; William Goffinet; Guinn Doyle; Vince Griffin; John Wilkins.

Members Absent: Rep. Richard Mangus; Hon. Jack Fowler; Max Goodwin; Bill Hayden; Tim Maloney; Blake Jeffrey; Mike Pitts.

Rep. Wolkins, the Chairperson of the Subcommittee, called the meeting to order at 10:40 a.m.

After a brief introduction, Rep. Wolkins introduced Jeff Underwood, IDEM Controller. Mr. Underwood distributed printed information on the subject raised in House Enrolled Act 1578, SECTION 8: **the allocation of costs of IDEM services that support dedicated funds**. His printed information included actual and projected dedicated fund balances, fee

¹ Exhibits and other materials referenced in these minutes can be inspected and copied in the Legislative Information Center in Room 230 of the State House in Indianapolis, Indiana. Requests for copies may be mailed to the Legislative Information Center, Legislative Services Agency, 200 West Washington Street, Indianapolis, IN 46204-2789. A fee of \$0.15 per page and mailing costs will be charged for copies. These minutes are also available on the Internet at the General Assembly homepage. The URL address of the General Assembly homepage is <http://www.ai.org/legislative/>. No fee is charged for viewing, downloading, or printing minutes from the Internet.

revenues, and budgeted amounts.

In response to questions from Subcommittee members, Mr Underwood and Tim Method, IDEM's Deputy Commissioner for Environmental Results, made the following points:

- Each dedicated fund has different wording in its directive defining administration costs. Administrative costs run from 11% to 15%, depending on the fund. IDEM believes that simplification of the budgeting process is needed. IDEM is open to recommendations on improving the budgeting process.
- The actual amount of monies used for administration per fund is difficult to determine because IDEM administrators serve the entire agency and are not specifically assigned to one fund.
- IDEM permit fees are not used for enforcement purposes.
- IDEM will hire an independent contractor to evaluate IDEM budgeting and methodology in the use of dedicated funds. The contractor will consult with members of the EQSC to: (1) Investigate and benchmark different states' methodologies and processes; (2) Evaluate current IDEM methodology and processes; and (3) Submit a recommendation to the EQSC and IDEM regarding its findings and recommendations.
- IDEM will develop a request for proposals (RFP) to assist the EQSC in the contractor selection process, although IDEM already had a local contractor in mind.
- IDEM expects the fee of the contractor to be less than \$25,000.
- Once the RFP is completed, IDEM will e-mail the list to all EQSC members.
- The contractor's report should be completed by the end of October.

Concerns expressed by Subcommittee members regarding the use of dedicated funds included the following:

- Historical data is needed to determine whether the percentage spent on the administration of each dedicated fund was adequate.
- The EQSC should have input on the selection of the contractor because: (1) contractors can issue tailored reports; and (2) if certain administrative issues are taken to the General Assembly, EQSC involvement will ensure that the review was unbiased.
- Some form of program-based budgeting should be used.
- IDEM should include an analysis of the indirect costs associated with each dedicated fund, not just a broad percentage.
- The size of the dedicated fund's staff and associated activities could determine the amount of funds needed.
- IDEM or the consultant should benchmark with other states.

Rep. Wolkins assigned John Wilkins and Guinn Doyle to develop an RFP with IDEM. It was understood that other members of the EQSC and IDEM would be involved via e-mail.

Tim Method commented on the subject raised in House Enrolled Act 1919, SECTION 19: **permit accountability time frames**. He said that IDEM is up-to date and has met its deadlines. He said that IDEM, rather than whittling down time frames, is now sorting out activities which don't need IDEM permits, and this has made turn-around times faster. He promised that IDEM will provide a summary of permit types and possible revisions at the next IDEM and Administrative Issues Subcommittee meeting.

Comments from Subcommittee members on permit accountability time frames included the following:

- More flexibility should be given to communities regarding permit activities.
- Arbitrary deadlines should be less important than program effectiveness.

Senator Simpson said she would like to see a report on permits that are not necessary anymore. This, she said, would allow IDEM to focus on more important activities.

Tim Method commented on the subject raised in House Enrolled Act 1919, SECTION 18: **the proposed enforcement policy of the IDEM that would provide relief from civil penalties for voluntary disclosures resulting from voluntary internal environmental audits**. He said that IDEM has already published an enforcement policy that encourages businesses to self-disclose. Under this policy, he said, IDEM excuses the majority of the violations if self-reported.

One member mentioned he would like to see some tracking of money that goes into the reverting fee fund.

Rep. Wolkins said he would like to see a report or presentation by IDEM regarding IDEM performance of 1998 EQSC recommendations at the next Administrative Issues Subcommittee meeting. In connection with this matter, he distributed a letter from the Indiana Petroleum Marketers & Convenience Store Association.

At the conclusion of this discussion, Representative Wolkins declared the meeting adjourned.

The setting of the date for the next IDEM and Administrative Issues Subcommittee meeting was temporarily deferred. The date, time, and location of the meeting will be announced.

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